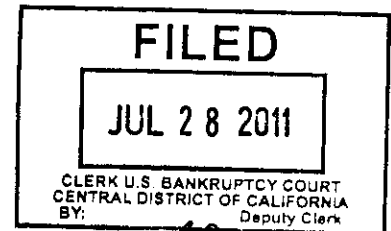


1 MARK A. THOMAS, Senior Pastor  
2 thomas@matm.org  
3 **Mark A. Thomas Ministries, Inc.**  
4 doing business as  
5 My Father's House Church International  
6 1820 Hamner Avenue, Suite A  
7 Norco, CA 92860  
8 Telephone: (951) 273-9689  
9 Facsimile: (951) 273-7865  
10  
11 Prospective Buyer

12 UNITED STATES BANKRUPTCY COURT  
13 CENTRAL DISTRICT OF CALIFORNIA  
14 SANTA ANA DIVISION  
15  
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 ORIGINAL



11 In re:  
12  
13 CRYSTAL CATHEDRAL MINISTRIES,  
14 a California nonprofit corporation,  
15 Debtor and  
16 Debtor-in-Possession.

Case No. 8:10-bk-24771 RK  
Assigned: Hon. Robert N. Kwan, Judge  
Chapter 11 Proceeding

**OFFER AND LETTER OF INTENT**

Hearing:

DATE: August 01, 2011  
TIME: 11:00 a.m.  
PLACE: Courtroom 5D  
411 West Fourth Street  
Santa Ana, CA 92701

*Tracey Lawrence*  
7/28/2011

PO Box 6339  
Corona, CA 92878  
951.273.9689 Office  
951.273.7865 Fax

MARK A. THOMAS MINISTRIES

July 28, 2011

Case#8:10-bk-24771-RK

**TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY JUDGE, THE  
OFFICE OF THE UNITED STATES TRUSTEE, DEBTOR-IN-POSSESSION CRYSTAL  
CATHEDRAL MINISTRIES, CERTAIN CREDITORS, AND PARTIES IN INTEREST:**

Mark A. Thomas Ministries, Inc. dba My Father's House Church International, a California nonprofit corporation, respectfully submits for your consideration this formal offer to take over Crystal Cathedral Ministries, a California nonprofit corporation, and official letter of intent to bring it out of the Chapter 11 bankruptcy filed October 18, 2010.

**1. Background on Mark A Thomas Ministries, Inc. and My Father's House Church International.**

My Father's House Church International is a non-denominational church based in Norco, California. The church has been in operation for over 14 years. It has an international presence in over 43 countries worldwide with at least 10,000 committed followers of its twice-weekly program, "Latter Day Kings." The church's co-Pastors and founders are Mark A. and Kimberley A. Thomas. The church congregation in Norco may be considered small, but they are committed. The church's business is well-managed and debt-free.

Mark A. Thomas Ministries, Inc. is the entity that facilitates the church's outreach operations. This entity oversees programs to meet the needs of people in their communities, coordinates opportunities for the pastors to deliver the Word of God worldwide, supports missions and other ministries, and publishes ministry products. This corporation successfully runs the many aspects of church business.

**2. Intent regarding Creditors and the Church.**

Mark A. Thomas Ministries, Inc. dba My Father's House Church International hereby formally offers to pay with interest all valid claims from Creditors, both Secured and Unsecured, up to a total of Fifty Million U.S. Dollars. And in so doing, Mark A. Thomas Ministries, Inc. dba My Father's House Church International will immediately take over the operations of Crystal Cathedral Ministries, and make the changes necessary to bring the church's bankruptcy to an opportune and orderly end.

The goal is to honor the history of the Crystal Cathedral by reclaiming the legacy of one of the world's greatest mega churches and to carry on, without further interruption, the work of Dr. Robert H. Schuller for the benefit of those who love the church, the Creditors, and the world at large.

**3. Issues that make coming out of bankruptcy complex.**

- The current church administration is perceived as self-serving. A church can never prosper as a business once it has lost the trust and support of its "parishioners." Currently, several petitions questioning the validity and necessity of the continued housing allowances, salaries, and benefits for the current staff are under review by the courts.

- The current church administration and the legal team representing the Debtor-in-Possession have been unable to come up with a plan to return the church to its prior position as a thriving business enterprise. They continue to address this bankruptcy as if it is a pure real estate transaction.
- The extent of the financial and operational issues of the Crystal Cathedral cannot be determined if those who created the problem by their decision-making are allowed to continue on staff.
- The Creditors do not consider the efforts of the current administration promising as evidenced by the filing of writs of attachment, liens, and etc.
- None of the other offers are from entities that run successfully similar businesses debt-free.
- Offers including options to lease-back portions of the ministry effectively set the DIP up for a Chapter 13 filing two to three years from now, and destroy all hope for a return to viability.
- The law firm representing the DIP is responsible for reviewing offers, and their level of objectivity is challenged by an offer such as this that requires their exit and resignation.

#### **4. General Plan to address the issues in Paragraph 3 and to pay back Creditors.**

Once this offer is accepted, Mark A. Thomas Ministries, Inc. dba My Father's House Church International, hereinafter referred to as Buyer, will immediately move their corporate headquarters from Norco, CA to The Crystal Cathedral in Garden Grove, CA. The Buyer's staff and administration will immediately move to address the following seven aspects of church business:

##### **Church administration and legal counsel**

- Stop compensating Schuller family members immediately.
- Resignations from members of the Schuller family and their legal counsel will be accepted as soon as practicable.
- All credit cards, limousine service, automobile leases, housing allowances, and special perks for current staff, administration, and legal counsel will be immediately discontinued.

##### **Asset protection and preservation**

- Halt all asset sales and asset transfers for 90 days.
- All books, records, accounts, assets, inventory, membership lists, customer lists for the cemetery and school, property, plant, equipment, contents of offsite storage, and contracts for service, will be physically secured immediately.
- All computer systems will be immediately protected.
- Explore options that generate returns on under-utilized assets.

##### **Creditors**

- Initiate contact with the Creditors and their counsel within the first two weeks.
- Continued contact with the Creditors will be made every two weeks during the first 90 days to keep them informed of what is transpiring at the church.
- Creditors to receive their first semi-annual installment towards debt repayment 180 days after the first service.

##### **Members**

- Alert members to changes within two weeks of change of administration.
- Thank them for their patience and commitment continually.
- Invite past members to come back to church, to get involved.
- Meet with the volunteer staff to outline the plans for the church within 30 days.
- Meet with the volunteer staff monthly thereafter to encourage and cast vision.
- Meet with the staff and administration at the school within the first two weeks.
- Meet with the staff and administration at the school every two weeks thereafter for at least 90 days to prepare for the 2011-2012 school year.
- Meet with the parents of students within 30 days.

- Meet with the staff and administration at the mausoleum within the first two weeks.
- Meet with the staff and administration at the mausoleum monthly thereafter to monitor sales activity and explore new ideas.

#### Evaluation period

- Immediately implement a 120-day evaluation period, so that the Buyer can take a much closer look at the business operations of the church.
- Evaluate all contracts for service.
- Evaluate all accounts payable, all accounts receivable, and
- Evaluate and prioritize all business expenses.
- Determine which business relationships are to be re-est:

#### The Court

- Create a monthly reporting function that keeps the courts and creditors advised during the 120-day evaluation period.
- Continue the monthly financial disclosure to the courts until such time as the Creditors deem it no longer necessary.
- Create a monthly operations disclosure to the courts that itemizes operational issues uncovered during the evaluation period.
- Create a quarterly reporting function that keeps the courts and creditors advised beyond the 120-day evaluation period.

#### Financial plans

- Establish new bank accounts immediately.
- Create an escrow account for repayment of all debt within seven (7) days of the change of administration.
- Beginning as early as 30 days after the first service, fund that escrow account using 75% of donations received monthly.
- Give followers and members the opportunity to participate in one of the greatest turnarounds in history through financial gifts.
- Use 100% of funds specifically donated for debt repayment to fund the escrow account. Funds to be posted within seven (7) days of receipt.
- Begin retiring debt 180 days after the first service using 100% of the funds collected in the debt repayment escrow account. Thereafter, make semi-annual payments of 100% of the funds collected in the debt repayment escrow account to Creditors until 100% of the amount owed plus interest is satisfied, and the debt is cancelled.
- The period of time necessary to cancel all debt is directly effected by the Buyer's ability to increase the public's support of the church as they cut out expenses that drain the church's resources. The Buyer will not extend the time period beyond legal limits.
- The intent is to emerge from bankruptcy as soon as possible, and as strong as possible.

#### Church services

- Develop a plan and a budget for the first church service.
- Develop a strategy to fill up every vacant seat in the building every Sunday.
- After the change of administration, have the first church service on Sunday, September 4, 2011 at 9:30am.
- Broadcast church services worldwide beginning on Sunday, September 4, 2011 at 9:30am.
- Continue to nurture and grow the church until Jesus returns!